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SERVICE DATE – NOVEMBER 17, 2004

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34567]

Arkansas Midland Railroad Company, Inc.–Change in Operators Exemption–Line of Union

Pacific Railroad Company

Arkansas Midland Railroad Company, Inc. (AKMD), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to lease and operate approximately 39.42 miles of railroad owned by the Union Pacific Railroad Company (UP), known as the Warren Line, extending from a connection with UP at milepost 422.32 in Dermott, AR, to milepost 461.74 at Warren, AR.¹ The lease also includes certain car repair facilities at UP's McGehee,

¹ AKMD has operated over the Warren Line since April 5, 2004, under emergency service authority issued by the Board pursuant to 49 U.S.C. 11123 and 49 CFR 1146. See Arkansas Midland Railroad Company, Inc.–Alternative Rail Service–Line of Delta Southern Railroad, Inc., STB Finance Docket No. 34479 (STB served Mar. 11, 2004). The emergency service authority was extended through December 13, 2004, by decisions served on May 4, 2004, July 30, 2004, and November 1, 2004. Prior to the issuance of the emergency service authorization, the line was leased and operated by Delta Southern Railroad, Inc. (Delta), which acquired the right to do so from Delta Southern Railroad Company in 1999. See Delta Southern Railroad, Inc.–Acquisition and Operation Exemption–Delta Southern Railroad Company, STB Finance Docket No. 33802 (STB served Oct. 20, 1999). Delta has voluntarily terminated its operations over the line so that UP can transfer operations to AKMD. Upon consummation of the change in operators authorized by the exemption here, Delta's authority to lease and operate the line will cease.

AR yard. AKMD will also obtain approximately 5.56 miles of incidental overhead trackage rights over UP's rail line from milepost 415.26 at Dermott to milepost 409.7 at McGehee, AR.

Because AKMD's projected annual revenues will exceed \$5 million, AKMD was required to certify to the Board that it had complied with the requirements of 49 CFR 1150.42(e) by providing notice of the proposed transaction to employees and their labor unions on the affected lines. AKMD filed its certification on October 14, 2004, specifying that it had provided the notice on October 6, 2004. The transaction is scheduled to be consummated on December 13, 2004, which is 60 days after AKMD's certification to the Board.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke does not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34567, must be filed with the Surface Transportation Board, 1925 K Street NW, Washington, DC 20423-0001. In addition, one copy of each pleading must be served on William C. Sippel, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at
“WWW.STB.DOT.GOV.”

Decided: November 9, 2004.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary